



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

with references to the Torrens statutes of Australasia, England, Ireland, Canada, and the United States, with an appendix containing the original Torrens act. (Chicago: Callaghan & Co. 1912. Pp. 463. \$4.00.)

NICHOLAS, F. C. *Mining investments and how to judge them.* Third edition, revised. Investor's library. (New York: Moody's Mag. Bk. Dept. 1912. Pp. 6, 7, 185. \$1.00.)

NICHOLSON, J. L. *Factory organisation and costs.* (London: Gee & Co. 1912. 25s.)

PETELLAT, H. *Etudes critiques sur la contre-partie dans les bourses de commerce.* Vol. I. *Les faux marchés à terme sur marchandises et sur valeurs mobilières ou l'escroquerie au contrat direct.* Preface by RENE LAFARGE. (Paris. 1912. 5 fr.)

REIBNITZ, K. F. *Die New Yorker Fondsbörse. Ihre Geschichte, Verfassung und wirtschaftliche Bedeutung.* (Jena: Fischer. 1912. Pp. vi, 126. 4 m.)

ROLLINS, M. *Tables showing the net return from stocks and other irredeemable securities, at prices ranging from 25 to 225, progressing by intervals of $\frac{1}{8}$ of 1 per cent, and covering dividend rates from 2 to 12 per cent together with accumulated dividend tables.* (Boston: M. Rollins. 1912. Pp. 54. \$1.00.)

ROSENTHAL, C. A. *Amerikanische Bonds (mit Ausnahme der Schuldverschreibungen der Immobiliarkreditinstitute).* (Berlin: J. G. Cotta. 1912. 2.50 m.)

STOCKWELL, H. G. *Net worth and the balance sheet.* (New York: Ronald Press Co. 1912. Pp. 206. \$1.50.)

VOIGT, A. *Das Bar-Depositen-Wesen der Kreditbanken und die Frage einer gesetzlichen Regelung.* (Schweinfurt: E. Stoer. 1911. Pp. 107. 2 m.)

Railroad operating costs; a series of original studies in operating costs of the leading American railroads. (New York: Suffern & Son. 1911. Pp. 82. \$2.00.)

What to read on business. (New York: Business Book Bureau. 1912. Pp. 167.)

Part III, "What to read on accounting," is an annotated bibliography of books (in English) on accounting theory and practice and commercial law.

Capital and Capitalistic Organization

Valuation of Public Utility Properties. By HENRY FLOY. (New York: McGraw-Hill Book Company. 1912. Pp. viii, 390. \$5.00.)

This book is one of several now appearing on a subject which

until lately has received no public attention. The abandonment of competition between private companies, and the unwillingness of most American cities, except in the case of waterworks plants, to follow the example of Europe in municipal ownership, has given great impetus to the regulation of rates and services by public bodies. In waterworks, where municipal ownership has won popular approval, the principles governing the valuation for purposes of public purchase had been fought over for some years in the courts; but even there, final conclusions on many vital phases of the subject had not been reached when the subject assumed a suddenly increased importance from the rapidly growing demand for regulation of lighting, transportation, and telephone systems. The problems involved are far larger than those of technical engineering. Ethics, economics, law, and public policy must be invoked. There is no more fascinating field of study than blazing the way for courts, commissions, and public opinion in the regulation and valuation of public utilities. The municipal feature is now uppermost, but national utilities, like the railroad, the telegraph, the express, and the long distance telephone, will be vastly effected by the outcome of the work in the municipal field.

Mr. Floy, who appeared for the Third Avenue Elevated Railroad Company before the Public Service Commission of the First District, New York, has compiled in this book a summary, more or less detailed, of several recent appraisals by himself and others, with a discussion of several of the principles involved and extracts from quite a number of court and commission decisions. While the book possesses merit in these respects, it lacks clearness in many of the points treated. Preliminary expenses prior to construction are not properly separated from the so-called overhead charges, going and franchise values, and other matters of an intangible nature. A tabulation might well be made of the total allowance, if any, for these various subdivisions, with the grand total of the whole, as allowed in the important cases considered. The index could be greatly improved. More serious, however, is the author's failure to appreciate and explain the rapidly growing revolt against a theory, or application of a theory, of duplication, under which most engineers have given the companies all the unearned increment, due not only to the growth in land values and rights of way since they were bought by the companies, but also that due to the cost of cutting through and replacing paving put

down by the taxpayers since the mains and conduits were laid, and other unearned increments in the shape of going value, and such part of the overhead charges as either have cost the company nothing, or were paid for by the consumer in operating expenses, while fair profits were also being earned. The author refers to the excellent, though conservative work of the Wisconsin Railroad Commission as "preëminent," while almost ignoring the Massachusetts Gas and Electric Light Commission, which, throughout its twenty-seven years of steadily growing efficiency, has conceded to the companies less of these unearned increments than has the Wisconsin Railroad Commission.

Mr. Floy's treatment of depreciation is more clever than profound. He would not only have consumers pay to a public utility enough to permit fair profits and such repairs as are required from year to year, but he would also, and properly, have the consumer pay a further amount to cover depreciation through obsolescence and inadequacy, that will only be recovered after the lapse of some years. But having made the consumer pay all this, he would not deduct this depreciation, which had been paid for by the consumer, from the plant value, but would leave the company free to continue to demand dividends on the value of its property when new, while apparently it is to be free to dispose of this maintenance reserve as it pleases. In other words, the company may collect a fund for depreciation, but in the valuing of a plant for purposes of rate regulation or sale, it may ignore, as "theoretical," any depreciation from obsolescence or inadequacy, if it cannot be clearly observed, even though the consumer has contributed the fund, on the claim of its necessity. Evidently, if companies are to be allowed to collect from consumers a depreciation fund, it must be admitted either that the depreciation to warrant such a change is actually occurring, or that it is a reserve belonging to the consumer.

While the work bears evidence of having been produced by a company advocate, and of being a hasty compilation, it nevertheless brings together in convenient form many things of importance to all interested in the subjects treated, and will serve as a basis for valuable discussion.

E. W. BEMIS.

Chicago, Illinois.